

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Serial No.: 10/826,779 Confirmation No.: 1294  
Applicant: Michael Sweeting, et al.  
Title: DYNAMIC PRIDE IMPROVEMENT  
Filed: April 16, 2004  
Art Unit: 3691  
Examiner: Gregory L. Johnson  
  
Atty. Docket: 03-1083  
Customer No. 63710

**PRE-APPEAL BRIEF REQUEST FOR REVIEW**

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The Action of May 25, 2010 should be vacated by a Pre-Appeal review.

Claim 1 recites as follows:

1. A method ... comprising the steps of:

in an electronic trading system designed to receive and store orders to buy and to sell financial instruments as submitted by traders, and substantially as orders are received, to execute trades between matching buy and sell orders, **stored buy and sell orders having order matching priority orderings relative to each other reflecting at least one attribute of the order in addition to or instead of price, ...;**

receiving a dynamic price improvement order, ... whose order matching priority for execution against contraorders is **maintained by the electronic trading system at least in part relative to earlier-submitted orders on the same side of the market by adjusting a price ...;**

receiving orders contra to the dynamic price improvement order, ... the dynamic price improvement order being matched to the contra orders [substantially as received] with the order matching priority relative to other orders as maintained by the electronic trading system...

**I. The proposed modification violates the principle of operation of Peterffy '804**

The Office Action admits that Peterffy's principle of operation is "strict price and time priority" (Action of 5/25/2010 at p. 10, line 5-6, referring to Peterffy ¶ [0011]).<sup>1</sup> Peterffy at

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<sup>1</sup> Peterffy '804 mentions exceptions, but they do not affect the analysis here.

¶ [0037] states that any change in price resets the time stamp, thus sacrificing time priority:

[0037] Orders may be edited once they are held in the Book. Editing of orders may be applied to price, size and cancellation date (for GTC orders). The time-stamp assigned by the trading host 10 at the entry of the original order will be updated if either the price is changed or the size increased, i.e., the order **will assume an inferior position** in the time priority “queue.” ...

Peterffy '804 stresses several times that price-time priority remains fixed only so long as a price stays the same, *e.g.*, ¶¶ [0040], and that that a price improvement “gains” priority (Peterffy '804 ¶ [0052] lines 5-7), rather than maintaining it.

In contrast, claim 1 recites “**maintaining**” order priority by “**adjusting price**.” This violates the order matching principle of operation of Peterffy '804, and renders Peterffy '804 unsuitable for its intended purpose. Pursuant to MPEP § 2143.01(V) and (VI), Peterffy '804 cannot be modified to meet these claims.

Claim 18 recites similar language and is patentable for similar reasons. The dependent claims follow.

## II. The Action misstates the content of the claim

The Action makes several errors in its discussion of Konia '181.

First, Konia changes price to promote priority over *newer* orders as they come in, not to maintain priority with respect to *earlier* orders as in claim 1.

Second, Konia appears to have no “**priority ... reflecting at least one attribute of the order in addition to or instead of price**.” Konia has *only* price. It appears that all orders at the same price have the same priority, and each gets a proportional allocation of the commodity being sold. Thus, when Konia changes price, Konia necessarily changes priority—there is no “attribute in addition to price” that would permit priority to be maintained while price changes.

Third, the Action does not address the claim language. The Action repeatedly “bends” the claim language, rather than showing correspondence. As best the Action can be reviewed in non-text-searchable form, it appears that the Action nowhere accurately quotes the claim language, let alone address it vis-à-vis the art.

Prosecution should be reopened so that a clear Action can be issued.

### III. Other errors of omission of *prima facie* elements

Pages 4 and 6 of the Action brush aside arguments for “attacking the references individually.” This reflects a misunderstanding by the Examiner. If an Action relies on only a single reference for an essential element of an obviousness rejection (either claim language, motivation to combine, expectation of success, etc.) then attacking that single reference on that single issue is ***an attack on the combination***. Applicant requests instructional assistance for Examiner Johnson, and an Action that corrects these errors.

In addition, pages 4 and 5 of the Action are very unclear. Traverse “third” questioned (Action at page 3) where the art shows “adjusting price to maintain order priority”—note the cause-and-effect. The Action (at page 4) responds by stating that Peterffy shows “order priority,” and Konia teaches changing price, but the Action ignores the cause-and-effect relationship stated in the claim that was the subject of the question. Appellant requests a new Action that answers all material traversed.

In a § 103(a) issue, it is not clear why the Action at page 4 sets out a long quote from the application’s specification. If this is a claim interpretation, the Action should state what claim language is being construed, and what the interpretation is. If the Action believes that the specification is part of the art being applied, the Action should clearly explain. Without some explanation, Appellant is unable to understand the Examiner’s train of thought.

The Action fails to make a limitation-by-limitation comparison. MPEP § 706.07 states: “Before final rejection is in order a clear issue should be developed between the examiner and the applicant.” The Board takes this ripeness condition quite seriously, and often refuses to hear an appeal if the Examiner’s Action is incomplete:<sup>2</sup>

... in order for meaningful appellate review to occur, the examiner must present a full and reasoned explanation of the rejection. We would further emphasize what should be self-evident: the examiner must present a full and reasoned explanation of the rejection *in the statement of the rejection*, specifically identifying underlying facts and any supporting evidence, in order for appellants to have a fair and meaningful opportunity to respond. Clearly, the examiner’s rejection does not meet this standard ....

Accordingly, we vacate the examiner’s rejection and remand the application to the jurisdiction of the examining group for consideration of this issue. ...

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<sup>2</sup> *Ex parte Govindan*, Appeal No. 2001-0758, <http://des.uspto.gov/Foia/ReterivePdf?system=BPAI&flNm=fd010758> at 5, 2002 WL 32334569 at \*3 (BPAI Nov. 15, 2002) (unpublished, emphasis in original, citations omitted).

The Board has persistently noted that it cannot adjudicate when the examiner's analysis is not clearly set forth in writing. The Board often remands when an examiner fails to provide a limitation-by-limitation mapping between the claim and the reference,<sup>3</sup> or an analysis that lacks a clear consideration of a claim limitation.<sup>4,5</sup> Without that limitation-by-limitation showing, this application is not ready for appeal.

As noted above, the Action's consideration of the claim language is not precise.

Each of these is an "examiner's omissions of one or more essential elements needed for a *prima facie* rejection" that prevents meaningful appeal, and warrants reopening.<sup>6</sup>

### III. Conclusion

For these reasons, the rejections should be withdrawn. At the very least, a new Action should be issued that corrects the omitted *prima facie* elements discussed above.

If this Pre-Appeal is denied, the PTO must give a statement of grounds that "examine[s] the relevant data and articulate[s] a satisfactory explanation for its action including a rational

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<sup>3</sup> *Ex parte Park*, Appeal No. 2007-0112, <http://des.uspto.gov/Foia/RetrievePdf?system=BPAI&fNm=fd2007011202-12-2007> at 3, 2007 WL 711463 at \*1 (BPAI Feb. 12, 2007) (remanding, "we ask the Examiner to reproduce each of the claims on appeal and after each claim limitation insert a reference to the drawing element and specification (by column and lines) so that we can better appreciate how the Examiner believes that all the limitations of the claims are described by Nepela"); *Ex parte Yang*, Appeal No. 2001-0476, <http://des.uspto.gov/Foia/RetrievePdf?system=BPAI&fNm=fd010476> at 6, 10, 2002 WL 33951541 at \*2, \*4 (BPAI Jun. 26, 2002) ("... the PTO's policy is for the Examiner to compare the rejected claims feature-by-feature with the reference. This comparison should map the language of the claims to the specific page number, column number, line number, drawing number, drawing reference number, and/or quotation for each reference relied upon. ... Then the Examiner needs to apply the art by showing a one-to-one correspondence of what the art teaches to what the Appellant claims.")

<sup>4</sup> *Ex parte Shuping*, Appeal No. 2008-0394, <http://des.uspto.gov/Foia/RetrievePdf?system=BPAI&fNm=fd20080394-02-05-2008-1> at 10–11, 2008 WL 336222 at \*6 (BPAI Feb. 5, 2008) (remanding without decision because examiner omitted mention of specific claim limitations); *Ex parte Shigamatsu*, Appeal No. 2001-2280, Appln. No. 09/028,480 (BPAI 2001) (unpublished) (remanding without decision because "the examiner fails to point out where some specific limitations recited in the rejected claims are found in the prior art upon which he relies. ... we ask the examiner to compare each of claims 9 and 19 'feature by feature with the prior art [references] relied on in the rejection.'").

<sup>5</sup> MPEP § 1207.02(A)(9)(d) requires the Examiner's Answer "point out where each of the specific limitations ... is found in the prior art." To avoid a "new ground of rejection," that should be provided during examination.

<sup>6</sup> New Pre-Appeal Brief Conference Pilot Program § 4, 1296 Off. Gaz. 67 (July 12, 2005), <http://www.uspto.gov/wcb/offices/com/sof/og/2005/week28/patbrf.htm>.

connection between the facts found and the choice made.”<sup>7</sup> The PTO must make a rebuttal showing on any disputed facts or laws. The non-communicative checkbox in typical Pre-Appeal Decisions is insufficient to meet the PTO’s obligations under 5 U.S.C. § 555(e).

It is believed that this paper occasions no fee. For the entire pendency of this application, the Commissioner is authorized to charge any additional required fees (including all extension of time fees), or credit any overpayment, to Deposit Account No. 50-3938, Order No. 03-1083.

Respectfully submitted,

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Dated: November 24, 2010

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<sup>7</sup> *Tourus Records Inc. v. Drug Enforcement Admin.*, 259 F.3d 731, 736–37 (D.C. Cir. 2001), citing 5 U.S.C. § 555(e) and *Motor Vehicle Manufacturers’ Ass’n v. State Farm Mutual Automobile Insurance Co.*, 463 U.S. 29, 52 (1983).